

# THE REFORM OF COMMODITY MARKETING BOARDS IN NIGERIA: AN ANALYSIS OF NEW PRODUCER PRICE POLICY

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THE LITERATURE on statutory export crop marketing in West Africa is already abundant [3]. One possible explanation of this situation is the availability of data on the operations of the marketing boards. The debates have ranged from the concept of stabilization and its ambiguities, the effectiveness (or otherwise) of the boards in inter- and intra-seasonal price stabilization to the fundamental question of the pricing strategy of the boards [2]. The international conference on marketing boards held at Ibadan in 1971 substantially increased the available literature on and our knowledge of the operations of the marketing boards.

In the light of this, one may be led to think that everything that needs be said about the marketing boards has been said. However, the upshot of the prolonged debates on the marketing board operations is the recent decision of the Nigerian Federal Government to reform the marketing board system. It is this reaction to the issue by the federal government that provoked my analysis in this paper. Its objective is to examine (i) the nature and causes of the reform, (ii) the implications of the new producer price policy.

## I. THE SETTING

The marketing board approach to export commodity marketing was adopted in developing countries as a short-time solution to the problem of price instability. There are many different types of such boards in developing countries. Abbott [1] identified six types of boards. His fifth type, the statutory export monopoly marketing board, with which this paper is concerned, is found in two countries in Asia (Burma and Indonesia) and in seventeen countries in Africa, with a fair amount of concentration in West Africa.

The marketing boards in West Africa originated from the wartime West African produce control board, established in 1942. The board was succeeded by four commodity marketing boards in Nigeria, two in Ghana, one in Sierra Leone, and one in Gambia. In 1954, the Nigerian commodity marketing boards—cocoa, palm produce, groundnuts, and cotton—were reconstituted as the marketing boards for the regions each vested with statutory authority to purchase all the major export crops grown within the region.

With the creation of states in Nigeria, the marketing boards were once more rearranged on a state basis. At present, there are two in the northern states and

five in the southern states.<sup>1</sup> To these must be added the Nigerian Produce Marketing Company. Incorporated in England in 1947, it serves as the sole selling agent for all Nigerian marketing board produce.

The Nigerian Produce Marketing Company is jointly owned by the state marketing boards. Its main functions are: (i) to acquire from state boards any kind of produce purchased and sell such produce, (ii) to issue instructions to the state boards or their servants and agents for the evacuation of produce to ports, (iii) to appoint agents for the storage in bulk of palm oil at the port of export, and (iv) to make arrangements for the oversea sale of Nigerian produce [9].

All proceeds of sales are shared out to the state boards in accordance with their purchases. The company incurs expenses for export duty, wharfage, lighterage, and shipping charges in addition to freight and insurance in case of c.i.f. sales. Allowance is made for these expenses plus a sum to cover the operational expenses of the board.

## II. THE REASONS FOR THE REFORM

The original objective of the West African export commodity marketing boards was to cut the link between the prices received by producers and the day-to-day fluctuations of world prices. The marketing boards announce producer prices before the opening of each season. Each state marketing board fixes the producer prices for all controlled produce in the state concerned. Thus, the producer price of cocoa announced by the Western State Marketing Board need not be the same with that paid by the Northern States Marketing Board. The price received by the farmer is the producer/guaranteed price less produce sales tax.

TABLE I  
GRADE ONE COCOA PRODUCER PRICES  
(Selected West African Countries: 1968/69-1971/72)

Year	(Per long ton)				
	Nigeria	Ghana	Ivory Coast	Cameroons	Togo
1968/69	192	183.11	303.20	203.20	232.29
1969/70	292	209.26	210.11	224.31	232.29
1970/71	302	213.31	224.31	224.31	250.64
1971/72	302	154.81	225.74	238.90	260.25

Source: Western State Marketing Board, *Statistical Information*, April 1972.

The surplus accumulated in years of high world prices are used to maintain the stable price paid to the producers. However, over time, price stabilization became a subsidiary objective of the boards, which became primary sources of government funds to finance development programs. To obtain large surpluses, the producer prices became totally out of line with the world prices, as shown in Appendix

<sup>1</sup> Rivers State Marketing Board (established in 1970), Midwest Marketing Board (established in 1964), Northern States Marketing Board (established in 1954), East Central State Marketing Board (established in 1970), South Eastern State Marketing Board (established in 1968), and Western State Marketing Board.

Tables I-V. The tables provide a breakdown by type of marketing board and export crop. These tables show that producers of cocoa, palm produce, and groundnuts received much less than the world price for their produce. They also show the disparity in producer prices paid for each crop among the various marketing boards. As Lewis noted, "clearly, the governments have had their hands on the throat of the goose which is laying the golden eggs" [7].

The concern over this problem gained momentum in recent years, particularly in Nigeria. The operations of the marketing boards were criticized on the grounds that the system had failed to provide incentives to farmers to increase production. The first progress report on the current 1970/74 development plan observed that "the indications show that the [marketing board] system as presently operated discourage increased efforts and production by the farmers. The stagnation in the output and export of some cash crops is attributed to the marketing board system" [8, p. 66]. At the Conference of Commissioners for Economic Development and Reconstruction held in Kano in late 1972, the Kano state governor observed that the farmer had been receiving a raw deal in the past and that the situation had diminished agricultural production and productivity in various crops, ". . . this country is predominantly agricultural and it is suicidal to kill the goose that lays the golden eggs" [4]. The governor stressed the need to give farmers "incentive and higher standard of living not only because this would raise agricultural productivity but also because social justice demands so" [4].

Apart from the problem of low producer prices for export crops,<sup>2</sup> it is also alleged that differential pricing led to smuggling.<sup>3</sup> Thus, from Nigeria cocoa goes to Dahomey and groundnuts to Niger. Such smuggling is considered inevitable when there are significant differences in prices paid to farmers between one country and another or in Nigeria between the states. However, it is doubtful whether the smuggling can be attributed to differential pricing.<sup>4</sup> Most of the smuggled Nigerian cocoa go to Dahomey. But statistics on Dahomey cocoa producer prices are not available to enable us indicate whether it is more profitable to sell in Dahomey than in Nigeria. The available statistics on cocoa producer prices for other West African countries indicate that Nigerian producer prices are higher than others (Tables I-II). In the period 1968/69-1971/72, Nigeria paid an average of N272 per long ton for cocoa compared with N190, N240, N226, and N243 for Ghana, Ivory Coast, Camerouns, and Togo, respectively. In Ghana, cocoa farmers received an average of 57 per cent of world prices as compared with 61 per cent in the Western State of Nigeria.

Other reasons for the reform include the practice of state governments to raise

<sup>2</sup> Although producer price might have been set low to increase marketing board surplus, the low producer price is not unconnected with the declining trend of world price. It should also be borne in mind that relatively low producer prices may even compel the farmers to put in more efforts so that increased output may partly offset the low price.

<sup>3</sup> For instance, Gill and Duffus' cocoa marketing report indicated that about 11,000 tons of cocoa were smuggled across the Nigerian border in 1971/72 season. This figure is based mainly on official export figures from port of Cotonou.

<sup>4</sup> An alternative explanation is that smuggling to neighboring countries provided an opportunity for getting foreign exchange to buy foreign goods.

TABLE II  
 COCOA PRODUCER PRICES  
 (State Cocoa Marketing Board, Ghana: 1956/57-1965/66)

Season	Producer Price (N/Ton)	Average f.o.b. Price (N/Ton)	Producer Price as % of f.o.b. Price
1956/57	298	378	79
1957/58	268	606	44
1958/59	268	570	47
1959/60	224	450	49
1960/61	224	350	64
1961/62	202	360	56
1962/63	202	370	55
1963/64	202	360	56
1964/65	202	290	69
1965/66	150	250	60

Source: [6].

so much tax from produce tax that other sources of revenue are not vigorously pursued and the enormous trading surpluses accumulated part of which were used for political party purposes, thus constituting a source of corruption.

### III. THE NEW PRODUCER PRICE POLICY

The low producer price paid by the marketing boards is a common problem to West African marketing boards.<sup>5</sup> Its possible deleterious effect on production has been recognized but not yet conclusively proved. In Sierra Leone, there is little prospect that the past policies of the board will be reviewed. Indeed, it is feared that "the strength of the board will increase in the future" [12]. It is only in Nigeria that far-reaching changes in producer price policy and marketing board arrangement have been announced.

#### A. *Objective of the New Price Policy*

The principal objective of the new policy is to increase the production of agricultural exports. The proposed instrument for achieving this objective is an increase in the proportion of world price paid to producers. According to the federal government, "the reason for these changes is primarily to offer relatively high producer prices to our farmers and encourage them to increase their production of the commodities concerned" [5].

<sup>5</sup> According to Saylor [12] the net effect of Sierra Leone Produce Marketing Board's pricing policies has been the stimulation of subsistence production at the expense of export production and the misallocation of resources between agricultural production, smuggling, and agricultural processing. "The growth of agricultural sector has been reduced from what it would have been had the board not existed or had the board permitted producer price to follow world market prices closely" [12]. The report of the enquiry into purchasing of cocoa in Ghana [6] noted that the producer price is too low and places high financial strains on the farmers. It concluded that "a moderate rise in producer price of cocoa will do more than harm to the nation's economy. . . . We therefore recommend an increase in the producer price" [6].

### B. *The Essentials of the Proposed Reform*

As part of the reform of the marketing board system, the following changes are proposed: (i) The federal government of Nigeria, through a technical committee, will henceforth fix producer prices on a countrywide basis for each commodity. (ii) Export duties on marketing board produce were abolished which should allow the boards to pay more to farmers. (iii) The maximum produce tax imposed by the state marketing boards will be limited to 10 per cent of producer prices. (iv) The federal government will make good any loss incurred by the states due to the loss of their share of export duties. The federal government will also meet any losses incurred by the boards if the producer price is fixed at a level which results in losses to marketing boards. Thus, in years of poor world prices, export crop farmers will be subsidized.<sup>6</sup> There will be no need to withhold part of the earnings in a good year in order to subsidize earnings in years of low world prices. (v) The Nigerian Produce Marketing Company continues as the central selling organization but it is taken over by the federal government.

## IV. AN APPRAISAL OF GOVERNMENT POLICY

### A. *Evidence of Alleged Disincentive Effect of Past Price Policy*

One of the factors leading to the reform of the marketing board system is the alleged stagnation in the output of produce controlled by the marketing boards. In this respect, the pertinent questions are: (i) Does the available evidence support the claim that the production of export crops has fallen? (ii) If so, is the fall due to low producer price paid or to other factors?

The evidence adduced by Olatunbosun and Olayide shows that production of palm oil and palm kernels fell between 1957/67 while the production of cocoa and groundnuts continued to show a fluctuating upward trend in the period 1948/67 [10]. They concluded that "In general, it can be said that quantity-wise, commodity producers have produced more during the twenty year [1948/67] period under study" [10, p. 9]. They noted that "Quantity produced no doubt increased, but such increases are not due to substantial acreage response" [10, p. 49]. If increased output is not due to substantial acreage response, then it must have been due to improved methods of cultivation which enabled increased output per acre. Such improved methods will include increased use of insecticides and fungicides, rehabilitation with high-yielding varieties, and more thorough harvesting.

Table III provides information on the output of the principal marketing board controlled produce. This table confirms the conclusion of Olatunbosun and Olayide—that output of cocoa and groundnuts are increasing while that of palm produce are decreasing. In the case of seed cotton, while the production in the Western State has been poor, the production in the Northern States had shown a

<sup>6</sup> If the federal government is to raise the revenue from general taxation, the implication of further increasing rates of taxation should be borne in mind. And if the money is to come from oil revenue, should oil money be used to subsidize export crops? The opportunity cost may be too high.

TABLE III  
MARKETING BOARDS CONTROLLED PRODUCE  
(All States, Nigeria: 1954/55-1969/70)

Year	Cocoa <sup>a</sup>	Palm Oil <sup>b</sup>	Palm Kernels	Groundnuts	Seed Cotton
1954/55	67.5	187.2	413.5	372.7	98.6
1955/56	91.8	180.7	457.0	530.2	80.7
1956/57	116.2	169.1	406.5	352.9	72.9
1957/58	68.1	182.3	455.2	714.7	123.9
1958/59	113.1	188.8	427.7	533.3	87.3
1959/60	130.6	189.1	423.0	445.4	85.8
1960/61	164.1	172.9	430.1	619.0	149.
1961/62	160.5	128.4	362.0	685.5	257.6
1962/63	156.6	149.0	412.9	871.5	296.7
1963/64	201.6	155.1	401.3	786.8	292.3
1964/65	276.6	168.1	410.8	676.8	235.8
1965/66	151.5	129.7	374.6	977.3	362.7
1966/67	236.4	31.9	187.9	1,026.4	446.7
1967/68	222.2	8.3	143.3	679.4	169.1
1968/69	181.5	5.2	150.8	764.1	399.2
1969/70	199.0	5.0	n.a.	737.7	954

Sources: States marketing boards and Nigerian Produce Marketing Company (Lagos).

<sup>a</sup> Main crop only.

<sup>b</sup> All grades.

fluctuating upward trend. In a special concentration on cocoa, Olatunbosun and Olayide came to the conclusion that "the output [of cocoa] is increasing at a highly decreasing rate. . . . In general . . . [there is] a falling aggregate output-income situation in the Western Nigeria cocoa industry" [11, p. 66]. The conclusions they draw from their statistics appear inconsistent. Aggregate output will not fall except the decreasing marginal output is negative. Also, according to them, five-year averages of cocoa output between 1948 and 1967 were 106.16, 108.78, 152.64, and 212.24 thousand long tons respectively [11, Table 2]. "A picture of fluctuating upward trend" [10, p. 9] is inconsistent with "a falling aggregate output situation in the Western Nigeria's cocoa industry" [11]. Indeed, if the averages show a rising trend, it will be expected that the rate of change of the aggregate output will be higher than the average figures. Also, in their supply function,<sup>7</sup> the change in output per unit increase in acreage is negative for all the functional forms used. If this were correct, then the statement that "there is a falling aggregate output in the Western Nigeria's cocoa industry" would follow but the authors noted that the regression coefficients for the acreages are wrongly signed, which is probably "an indication of the use of wrong estimating equations." This will agree with their statement that aggregate cocoa output was on the increase during 1948-67 [10, p. 9] but will contradict their statement of a falling aggregate output [11]. The important point to note is that for cocoa it is not conclusively established that

<sup>7</sup> The export supply equations are [11, p. 72]:

$$\text{Linear: } Q = 0.8947 - 0.2670P_{t-7} - 0.7798 A_{t-8} + 17.0621 T.$$

$$\text{Power: } \log Q = 7.7740 - 0.1788 \log P_{t-7} - 4.0133 \log A_{t-8} + 6.3657 \log T.$$

$$\text{Exponential: } \log Q = 3.9525 - 0.0009 P_{t-7} - 0.0046 A_{t-8} + 0.1025 T.$$

$$(P_t = \text{producer price; } A_t = \text{acreage.})$$

output had stagnated. In fact, the evidence is that it has risen.

If cocoa output and indeed the output of any marketing board controlled crop shows a declining trend, the next thing is to find the causes. The marketing board producer price policy has been blamed for the alleged declining output. Olatunbosun and Olayide concluded that:

The deleterious pricing strategy adopted by the Western Nigerian Marketing board led to a very significant diminishing rate of production response. Some of the factors responsible for this slackening rate of production response include senile and aging condition of most cocoa groves, slackening impetus in disease control measures, disregard of yield-increasing recommendations, sloppy harvesting and lack of enthusiasm in putting new acreages under the crops. All these are a manifestation of the regressive pricing strategy adopted by the Western Nigeria marketing board. [10, p. 11]

If low output is caused by low producer prices, there will be a direct relationship between the two variables. However, their supply functions show negative coefficients for the producer price. The wrong sign is attributable to use of wrong functional form. The study also fails to throw light on the relative importance of price and nonprice factors. It is important to bear in mind that the effect of low

TABLE IV  
EXPORT OF CROPS NOT CONTROLLED BY MARKETING BOARDS, NIGERIA: 1960-71

Year	Rubber (1,000 Tons)	Timber Logs (1,000 cu. ft.)	Timber Sawn (1,000 cu. ft.)
1960	4.7	1,851	174
1961	4.5	1,695	183
1962	4.9	1,351	195
1963	5.2	1,539	198
1964	6.0	1,785	225
1965	5.6	1,347	209
1966	5.8	1,297	219
1967	3.9	744	154
1968	4.3	722	175
1969	4.9	754	196
1970	4.8	505	140
1971	4.2	485	113

Source: Nigeria, Federal Office of Statistics (Lagos), *Digest of Statistics*.

prices on output can easily be exaggerated. For example, the picture of crops not controlled by marketing boards does not look better than those controlled by marketing boards. Rubber producers get 100 per cent of world prices, but output is poor (Table IV).

Also, the available evidence does not support their claim that farmers showed no enthusiasm in disease control measures and disregarded yield-increasing measures. Since the mid-1950s, plant protection measures had been vigorously pursued in the Western State. The rapid and phenomenal rise in the use of the spraying method and in the purchase of the new and high yielding amazon cocoa variety is indicated in Table V.

TABLE V  
 COCOA YIELD-INCREASING MEASURES  
 (Western State, Nigeria: 1954/55-1964/65)

Year	Capsid Control (1,000 Acres Sprayed)	Black Pod Control (1,000 Acres Sprayed)	Amazon Cocoa Seedlings (1,000 Acres Planted)
1954/55	n. a.	n. a.	1.5
1955/56	n. a.	n. a.	2.0
1956/57	n. a.	92-184	3.0
1957/58	53	28- 56	4.2
1958/59	159.6	37- 95	5.8
1959/60	268.2	79-158	112.0
1960/61	259.1	86-172	118.0
1961/62	241.5	101-203	150.0
1962/63	383.2	115-230	130.0
1963/64	455.1	n. a.	5.4
1964/65	n. a.	n. a.	6.2

Source: *Tree Crop Planting Projects*, Part 1, Cocoa (Ibadan, MANR).

#### B. *The Implications of the New Producer Price Policy*

The federal government has made it clear that the reason for the changes is primarily to offer relatively high producer prices to farmers so as to encourage them to increase production. It is taken that the farmers' prices will be related to world prices. But will the new producer price lead to a greater output of the export crops? A number of studies have shown that Nigerian farmers are price-responsive.<sup>8</sup> Given this fact, it can be hypothesized that if farmers get higher prices, they will tend to increase output. By how much will depend on the magnitude of supply elasticity with respect to producer price increase. Farmers will get slightly higher price than what the boards paid, but still lower than world prices.<sup>9</sup>

Government policies can influence the pattern of agricultural production. But they are probably more effective in causing shifts between products than in increasing total agricultural production. Given that the production possibility curve between export and food crops is concave to the origin, the new prices for export crops will cause shifts in resources towards export crop production. This suggests the possibility of a serious food crisis particularly because of the current poor performance of food production in the country (Tables VI-VII). A real problem is how to make food supply meet the rapidly increasing demand. The inadequate supplies of gari, rice, bean, yam flour, cassava flour, and soup ingredients have been reflected in soaring prices. In the past, very little efforts have been devoted to research on

<sup>8</sup> S. A. Oni, "Production Response in Nigerian Agriculture: A Study of Palm Produce," *Nigerian Journal of Economic and Social Studies*, Vol. 11, No. 1 (1969); Idem, "Econometric Analysis of Supply Response among Nigeria Cotton Growers," *Bulletin of Economics and Rural Sociology*, Vol. 4, No. 2 (1969); Idem, "Estimating Supply Response via Producer Panel Approach—A Case Study of Western Nigerian Cocoa Farmers," *Indian Journal of Agricultural Economics*, Vol. 27, No. 2 (1972); S. O. Olayide, "Some Estimates of Supply Elasticities for Nigeria's Cash Crops," *Journal of Agricultural Economics*, Vol. 23, No. 3 (1972).

<sup>9</sup> For instance, 1973/74 price of grade I cocoa is 29 per cent higher than the 1972/73 season.

domestic food crops. Research and development strategy had focused on expanding export rather than food crop production because Nigeria has not faced a food problem except for protein deficiencies. But the food picture had changed since the mid-1960s. With the current near famine situation, there is need for policies to boost food production too. In other words, an export-led policy of agricultural development should be supplemented with a cheap food policy.

TABLE VI  
FOOD PRODUCTION IN NIGERIA  
(Selected Food Items: 1945/52-1970)  
(1,000 metric tons)

Year	Food Items			
	Maize	Rice (Paddy)	Cassava	Sweet Potatoes and Yams
1945/52	644	250	5,800	9,972
1961/65	1,033	348	7,247	13,123
1966	1,219	330	7,500	13,600
1967	950	332	7,400	13,600
1968	1,181	251	7,200	13,600
1969	1,219	387	6,800	12,500
1970	1,220	400	6,800	12,500

Source: *FAO Yearbook*, Vol. 24 (1970).

TABLE VII  
PER CAPITA FOOD PRODUCTION  
(Selected West African Countries: 1961/65-1972)

Country	Index of Production (1961/65=100)
Niger	98
Mauritania	97
Guinea	94
Upper Volta	94
Dahomey	89
Nigeria	82

Source: *FAO, The State of Food and Agriculture* (Rome, 1972).

Closely related to the resource allocation effect is the income distribution effect of the new price policy. When low producer prices were paid for export crops, incomes to farmers growing these crops were higher than the incomes of food crops farmers. The new price policy can widen this income gap<sup>10</sup> and further worsen the food production problem. Because of geographic specialization of production due

<sup>10</sup> A number of steps can be taken to reduce such income gap. These are: (i) solve the farm mechanization problem; (ii) organize food crop marketing and give guaranteed producer prices for the principal food crops; (iii) ensure improved agricultural input distribution such that farm inputs reach farmers where and when wanted; (iv) liberalize farm credit facilities. The establishment of the National Agricultural Credit Bank is welcomed in this respect, but what impact it will be allowed to make on food production is still a question mark.

to the physical base, food farmers who cannot shift resources to the production of export crops will become worse off.<sup>11</sup>

Another point relates to how the export crop farmers spend their increased income resulting from the new price policy. Some of the increase might be ploughed back to the export crop economy but a fair proportion of it will find its way to the nonagricultural sector. The problem of inadequate effective demand might thereby be reduced but at the same time the possible inflationary effects of the increase in income should be borne in mind.

The new changes announced amount to increased centralization of marketing board operations and therefore increased federal government control over the states. The marketing board funds had, in the past, constituted a significant source of revenue to the states. The new arrangements now make the states dependent on the federal government for such funds.

Since the federal government will make good any loss due to high producer prices there is no longer any need for marketing boards to accumulate surpluses for purposes of stabilizing producer prices. In effect, the beneficiaries from such marketing board surpluses—marketing board student bursaries, marketing board research grants, marketing board grants for improving export crop economy, and the cost of subsidies to farmers—may all suffer except some alternative arrangements are made to ensure that funds are made available to continue these uses of marketing boards reserves.

The new policy is geared to deal with some of the problems of the existing marketing board system. Among these problems are smuggling and misuse of marketing board accumulated surpluses, particularly its use to obtain political support. The policy cannot deal effectively with these problems. Although the new policy will end interstate smuggling, this may not be the case for smuggling to neighboring countries except price differential has been largely responsible for such smuggling. The new policy is also not a valid insurance against a pricing policy motivated by political considerations. When party politics is back in the country, there is nothing preventing the federal government from using export produce prices to gain election support as was done in the states in the past.

## V. SUMMARY AND CONCLUSION

The International Conference on the Marketing Board System held at Ibadan in 1971 marked a watershed in the crusade to reform the marketing board system. The existing system was subjected to severe criticisms on the grounds that the low producer prices are responsible for low output of the export crops and the consequent fall in foreign exchange earnings of these crops, that differential price has led to smuggling of produce, and that marketing board reserves have, sometimes, been used for political purposes.

However, the available statistics show that cocoa and groundnut production had been increasing, although the output of palm produce had been falling. There is

<sup>11</sup> It is evident that even the lowest producer price paid for any export crop still made export-crop production more remunerative than food production.

also no conclusive evidence to show that the fall in output can be attributed to low producer prices alone, if at all. Certainly, crops that are not controlled by marketing boards have not shown a better performance.

The policy supports industrialization to the extent that exports earn the foreign exchange that pays for capital imports needed by industrialization. But with the oil boom, foreign exchange should no longer be a constraint. The new policy may also work against industrialization if shift of resources away from food production is substantial. It will then mean that there will not be enough food to feed industrial workers.

Thus, the implications of the new price policy should be borne in mind. This paper calls attention to the resource allocation, price, and income effects of the new policy. The policy might worsen the food situation if food production does not receive adequate attention. The new policy will also increase the income gap between export crop and food crop producers.

The new policy cannot effectively solve the existing problems of smuggling of produce to neighboring countries and using marketing board reserves for political purposes. Rather, the increased federal government control over state funds and the federal governments' take-over of the Nigerian Produce Marketing Company might impair efficiency of operations, both by the states and marketing boards.

Finally, the new policy can increase the lopsidedness of the economy by increasing the dependence on export crop production whose supply and demand, by nature, are subject to violent fluctuations.

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**APPENDIX TABLE I**  
**GRADE ONE COCOA PRODUCER PRICES**  
 (Selected Marketing Boards, Nigeria: 1960/61-1970/71)  
 (Per cent of f.o.b. prices)

Season	Midwest Marketing Board <sup>a</sup>	Northern States Marketing Board	Western State Marketing Board
1960/61	—	78	84
1961/62	—	66	64
1962/63	—	68	66
1963/64	61	n. a.	61
1964/65	95	n. a.	92
1965/66	55	n. a.	54
1966/67	47	50	46
1967/68	45	42	44
1968/69	39	38	49
1969/70	62	50	49
1970/71	85	n. a.	68

Source: Midwest Marketing Board and Western State Marketing Board, *Statistical Information*, April 1972.

<sup>a</sup> The Midwest Marketing Board was established in April 1964.

**APPENDIX TABLE II**  
**PALM OIL PRODUCER PRICES**  
 (Selected Marketing Boards, Nigeria: 1962-70)  
 (Per cent of f. o. b. prices)

Season	Midwest Marketing Board		Western State Marketing Board	
	Edible Oil	Technical Palm Oil (Grade I)	Edible Oil	Technical Palm Oil (Grade I)
1962	—	—	61	67
1963	—	—	58	63
1964	55	62	55	62
1965	46	58	42	58
1966	46	58	55	60
1967	56	75	56	75
1968	89	99	93	99
1969	85	86	83	86
1970	53	64	50	60

Sources: Midwest and Western State Marketing boards.

APPENDIX TABLE III  
 PALM KERNELS PRODUCER PRICES  
 (Selected Marketing Boards, Nigeria: 1960-70)  
 (Per cent of f. o. b. prices)

Season	Midwest Marketing Board	Northern States Marketing Board	Western State Marketing Board
1960	—	72	n. a.
1961	—	76	70
1962	—	54	60
1963	—	57	53
1964	58	n. a.	58
1965	47	n. a.	47
1966	54	n. a.	54
1967	55	50	55
1968	50	58	50
1969	61	51	61
1970	56	n. a.	57

Source: Midwest Marketing Board and Western State Marketing Board, *Statistical Information*, April 1972.

APPENDIX TABLE IV  
 GROUNDNUTS PRODUCER PRICES  
 (Northern States Marketing Board: 1957/58-1968/69)

Season	Producer Price (N/Ton)	Average f. o. b. Price(N/Ton)	Producer Price as % of f. o. b. Price
1957/58	95.80	104	92
1958/59	86.65	110	78
1959/60	90.45	124	72
1960/61	92.45	118	78
1961/62	97.15	112	86
1962/63	80.50	110	73
1963/64	80.50	118	68
1964/65	85.45	132	64
1965/66	87.13	126	69
1966/67	84.13	116	72
1967/68	76.70	106	72
1968/69	52.00	122	42

Sources: Northern States Marketing Board and Nigerian Produce Marketing Company.

APPENDIX TABLE V.  
 SEED COTTON PRODUCER PRICES  
 (Selected Marketing Boards, Nigeria: 1962/63-1970/71)

(N/ton)

Season	Northern States Marketing Board	Western State Marketing Board
1962/63	90	87.73
1963/64	90	89.60
1964/65	94	112.00
1965/66	94	130.67
1966/67	90	168.00
1967/68	86	168.00
1968/69	115	112.00
1969/70	115	168.00
1970/71	115	168.00

Sources: Northern States and Western State Marketing boards reports.

Note: Grade I seed cotton only.